



State of Ohio Environmental Protection Agency

STREET ADDRESS:

Lazarus Government Center
50 W. Town St., Suite 700
Columbus, Ohio 43215

TELE: (614) 844-3020 FAX: (614) 844-3164
www.epa.state.oh.us

MAILING ADDRESS:

P.O. Box 1049
Columbus, OH 43216-1049

CERTIFIED MAIL

7007 0220 0000 7613 0957

January 25, 2008

**Re: Director's Final Findings & Orders
Quaker Chemical Corporation
US EPA ID No.: OHD 101 486 116**

Mr. Brian M. Kellogg
Safety, Health & Environmental Manager
3431 Yankee Road
Middletown, Ohio 45044

Dear Mr. Kellogg:

Here are the Director's Final Findings and Orders (Orders) issued to Quaker Chemical Corporation on January 25, 2008. These Orders are effective today.

I have also enclosed invoices for the penalty payments required by Order Nos. 1.a. and 1.b.. Please remember that your payments are due no later than February 25, 2008.

If you have any questions concerning compliance with these Orders, do not hesitate to contact Harold O'Connell at (937) 285-6357.

Sincerely,

David A. Sholtis, Assistant Chief
Division of Hazardous Waste Management

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Attachments

cc: Michael A. Savage, Chief, DHWM
Harry Sarvis, Mgr., CAS, DHWM
Todd Anderson, Legal
Heidi Greismer, PIC
Harold O'Connell, DHWM, SWDO

Ted Strickland, Governor
Lee Fisher, Lieutenant Governor
Chris Korleski, Director

OHIO E.P.A.

JAN 25 2006

ENTERED DIRECTOR'S JOURNAL

BEFORE THE
OHIO ENVIRONMENTAL PROTECTION AGENCY

In the Matter of:

Quaker Chemical Corporation
3431 Yankee Road
Middletown, OH 45044

Director's Final
Findings and Orders

Respondent

PREAMBLE

It is agreed by the parties hereto as follows:

I. JURISDICTION

These Director's Final Findings and Orders (Orders) are issued to Quaker Chemical Corporation (Respondent) pursuant to the authority vested in the Director of the Ohio Environmental Protection Agency (Ohio EPA) under Ohio Revised Code (ORC) §§ 3734.13 and 3745.01.

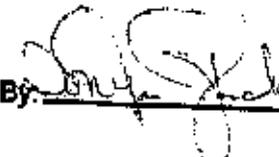
II. PARTIES BOUND

These Orders shall apply to and be binding upon Respondent and successors in interest liable under Ohio law. No change in ownership of the Respondent or of the Facility shall in any way alter Respondent's obligations under these Orders.

III. DEFINITIONS

Unless otherwise stated, all terms used in these Orders shall have the same meaning as defined in ORC Chapter 3734 and the rules promulgated thereunder.

I certify this to be a true and accurate copy of the
official documents as filed in the records of the Ohio
Environmental Protection Agency.

By:  Date: 1-25-06

IV. FINDINGS

The Director of Ohio EPA has determined the following findings:

1. Respondent owns and operates a facility located at 3431 Yankee Road, Middletown (Facility). Respondent is a Pennsylvania corporation, licensed to do business in Ohio since August 28, 1995.
2. Respondent is a "person" as defined in ORC § 3734.01(G) and Ohio Administrative Code (OAC) rule 3745-50-10(A).
3. Respondent notified Ohio EPA of its hazardous waste activities and was issued generator identification number OHD 101 486 116.
4. At the Facility, Respondent generates "hazardous waste" as that term is defined by ORC § 3734.01(J) and OAC rules 3745-50-10(A) and 3745-51-03. Respondent is a large quantity generator of hazardous waste.
5. On April 10 and 11, 2007, Ohio EPA conducted compliance evaluation inspections at the Facility. As a result of these inspections, Ohio EPA determined that Respondent had, *inter alia*:
 - a. Unlawfully stored hazardous waste without a permit for greater than 90 days in the hazardous waste accumulation area, in violation of ORC § 3734.02(E) and (F);
 - b. Failed to submit annual hazardous waste reports for 2004 and 2006, in violation of OAC rule 3745-52-41(A);
 - c. Failed to list the October 19, 2006, shipment of hazardous lab wastes on a uniform hazardous waste manifest, in violation of OAC rule 3745-52-20(A);
 - d. Failed to accurately complete items one through twenty on some hazardous waste manifests, in violation of OAC rule 3745-52-20(A);
 - e. Failed to retain copies of hazardous waste manifests for at least three years, in violation of OAC rule 3745-52-40;
 - f. Failed to have a hazardous waste personnel training program directed by a person trained in hazardous waste management procedures and failed to have a personnel training program that teaches facility personnel hazardous waste management procedures, in violation of OAC rule 3745-65-16;

- g. Failed to file exception reports for a 2006 shipment of corrosive hazardous waste and for the October 19, 2008, shipment of hazardous lab wastes, in violation of OAC rule 3745-52-42(A);
 - h. Failed to have a complete contingency plan and provide copies to emergency authorities, in violation of OAC rules 3745-65-52, 53 and 54;
 - i. Failed to close totes of hazardous waste in the bulk loading area and in the surfactant manufacturing process area, in violation of OAC rule 3745-66-73(A);
 - j. Failed to date containers of corrosive waste with the accumulation start date and to label them as "Hazardous Waste," in violation of OAC rule 3745-52-34(A)(2) and (3);
 - k. Failed to complete weekly inspections for the hazardous waste accumulation areas, in violation of OAC rule 3745-66-74;
 - l. Failed to label "Used Oil" on several containers storing used oil, in violation of OAC rule 3745-279-22(C);
 - m. Failed to clean up a release of used oil in the vicinity of a 12,000-gallon used oil tank, in violation of OAC rule 3745-279-22(D);
 - n. Failed to evaluate waste fluorescent lamps to determine if they are hazardous waste, in violation of OAC rule 3745-52-11;
 - o. Failed to comply with land disposal requirements, in violation of OAC rule 3745-270-07; and
 - p. Failed to produce documentation to show the EPA waste numbers associated with the corrosive waste and some lab waste, in violation of OAC rule 3745-270-09(A).
6. By letter dated May 4, 2007, Ohio EPA notified Respondent of the violations referenced in Finding No. 5. of these Orders. In this letter, Ohio EPA also notified Respondent that due to the unlawful storage of hazardous waste, Respondent was subject to all applicable general facility standards found in OAC chapters 3745-54 and 3745-55, including but not limited to, closure of the unpermitted hazardous waste storage unit in accordance with OAC rules 3745-

55-11 through 3745-55-20 and the financial assurance requirements in OAC rules 3745-55-42 through 3745-55-51.

7. On June 11, 2007, Ohio EPA conducted a follow-up inspection at the Facility. During this inspection, Respondent notified Ohio EPA that the May 4, 2007 letter was not received by Respondent. Ohio EPA provided Respondent with a copy of the May 4, 2007 letter during this follow-up inspection.
8. By letter dated June 12, 2007, Ohio EPA notified Respondent of the outstanding violations at the Facility.
9. By a letter dated July 6, 2007 and emails dated July 12 and July 24, 2007, Respondent submitted responses to Ohio EPA's May 4 and June 12, 2007 letters.
10. On July 24, 2007, Ohio EPA conducted a return to compliance inspection at the Facility.
11. By letter dated July 30, 2007, Ohio EPA notified Respondent that Respondent had abated the violations listed in Finding Nos. 5.b., 5.c., 5.d., 5.e., 5.f., 5.g., 5.i., 5.j., 5.k., 5.l., 5.m., 5.n., 5.o. and 5.p. of these Orders.
12. By email dated August 2, 2007, Respondent submitted a response to Ohio EPA's July 30, 2007 letter.
13. By letter dated August 16, 2007, Ohio EPA notified Respondent that Respondent had abated the violation listed in Finding No. 5.h. of these Orders.
14. Because no releases of hazardous waste were observed and based upon Respondent's obligation to perform generator closure of the less than 90 day hazardous waste storage area, which is currently being used and is the same area of the Facility used to store hazardous waste without a permit, the Director has determined that no additional action is required of Respondent regarding the ORC § 3734.02(E) and (F) and it is unnecessary to reserve closure for the hazardous waste storage area.

V. ORDERS

Respondent shall achieve compliance with Chapter 3734 of the ORC and the regulations promulgated thereunder according to the following compliance schedule:

1. Respondent shall pay Ohio EPA the amount of \$34,160.00 in settlement of Ohio EPA's claims for civil penalties, which may be assessed pursuant to ORC Chapter 3734., in accordance with the following provisions:
 - a. Within 30 days after the effective date of these Orders, Respondent shall pay Ohio EPA the amount of \$27,360.00 in settlement of Ohio EPA's claims for civil penalties which will be deposited into the hazardous waste cleanup fund established pursuant to ORC § 3734.28. Payment shall be made by an official check made payable to "Treasurer, State of Ohio" for \$27,360.00. The official check shall be submitted to Ohio EPA, Office of Fiscal Administration, Department L-2711, Columbus, Ohio 43260-2711, together with a letter identifying Respondent. A copy of this check shall be submitted in accordance with Section X. of these Orders.
 - b. In lieu of paying the remaining \$6,800.00 of civil penalty to Ohio EPA, Respondent shall fund a supplemental environmental project (SEP) by making a contribution in the amount of \$6,800.00 to the Ohio EPA Clean Diesel School Bus Program (Fund 5CD). Respondent shall make the payment within 30 days after the effective date of these Orders by tendering an official check made payable to "Treasurer, State of Ohio" for \$6,800.00. The official check shall be submitted to Brenda Case, or her successor, Ohio EPA, Office of Fiscal Administration, Department L-2711, Columbus, Ohio 43260-2711, together with a letter identifying Respondent. A copy of this check shall be submitted in accordance with Section X. of these Orders, and an additional copy of this check shall be sent to James A. Orlemann, Assistant Chief, SIP Development and Enforcement, or his successor, Ohio EPA, Division of Air Pollution Control, P.O. Box 1049, Columbus, Ohio 43216-1049.
 - c. Should Respondent fail to fund the SEP within the required time frame established in Order No. 1.b of these Orders, Respondent shall pay to Ohio EPA within 7 days of failing to comply with Order No. 1.b. the amount of \$6,800.00 in accordance with the procedures in Order No. 1.a.

VI. TERMINATION

Respondent's obligations under these Orders shall terminate upon Ohio EPA's receipt of the official checks required by Section V. of these Orders.

VII. OTHER CLAIMS

Nothing in these Orders shall constitute or be construed as a release from any claim, cause of action or demand in law or equity against any person, firm, partnership or corporation, not a party to these Orders, for any liability arising from, or related to, the operation of Respondent's Facility.

VIII. OTHER APPLICABLE LAWS

All actions required to be taken pursuant to these Orders shall be undertaken in accordance with the requirements of all applicable local, state and federal laws and regulations. These Orders do not waive or compromise the applicability and enforcement of any other statutes or regulations applicable to Respondent.

IX. MODIFICATIONS

These Orders may be modified by agreement of the parties hereto. Modifications shall be in writing and shall be effective on the date entered in the journal of the Director of Ohio EPA.

X. NOTICE

All documents required to be submitted by Respondent pursuant to these Orders shall be addressed to:

Ohio Environmental Protection Agency
Southwest District Office
Division of Hazardous Waste Management
401 East Fifth Street
Dayton, Ohio 45402-2911
Attn: DHWM Manager

and Ohio EPA Central Office at the following address:

For mailings, use the post office box number:

Chris Korieski, Director
Ohio Environmental Protection Agency
Lazarus Government Center
Division of Hazardous Waste Management
P.O. Box 1049

Columbus, Ohio 43216-1049
Attn: Manager, Compliance Assurance Section

For deliveries to the building:

Chris Korleski, Director
Ohio Environmental Protection Agency
Lazarus Government Center
Division of Hazardous Waste Management
50 West Town Street, Suite 700
Columbus, Ohio 43215
Attn: Manager, Compliance Assurance Section

or to such persons and addresses as may hereafter be otherwise specified in writing by Ohio EPA.

XI. RESERVATION OF RIGHTS

Ohio EPA reserves its rights to exercise its lawful authority to require Respondent to perform corrective action at the Facility at some time in the future, pursuant to ORC Chapter 3734, or any other applicable law. Respondent reserves its rights to raise any administrative, legal or equitable claim or defense with respect to any final action of the Director regarding corrective action. Ohio EPA and Respondent each reserve all other rights, privileges and causes of action, except as specifically waived in Section XII. of these Orders.

XII. WAIVER

In order to resolve disputed claims, without admission of fact, violation or liability, Respondent consents to the issuance of these Orders and agrees to comply with these Orders. Except for the right to seek corrective action at the Facility, which right Ohio EPA does not waive, compliance with these Orders shall be a full accord and satisfaction for Respondent's liability for the violations specifically cited herein.

Respondent hereby waives the right to appeal the issuance, terms and conditions, and service of these Orders, and Respondent hereby waives any and all rights Respondent may have to seek administrative or judicial review of these Orders either in law or equity.

Notwithstanding the preceding, Ohio EPA and Respondent agree that if these Orders are appealed by any other party to the Environmental Review Appeals Commission, or any court, Respondent retains the right to intervene and participate in

such appeal. In such an event, Respondent shall continue to comply with these Orders notwithstanding such appeal and intervention unless these Orders are stayed, vacated or modified.

XIII. EFFECTIVE DATE

The effective date of these Orders is the date these Orders are entered into the Ohio EPA Director's journal.

XIV. SIGNATORY AUTHORITY

Each undersigned representative of a party to these Orders certifies that he or she is fully authorized to enter into these Orders and to legally bind such party to these Orders.

IT IS SO ORDERED AND AGREED:

Ohio Environmental Protection Agency

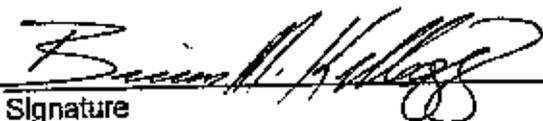


Chris Korleski
Director

JAN 25 2008
Date

IT IS SO AGREED:

Quaker Chemical Corporation



Signature

1/3/2008
Date

Brian M. Kellogg

Printed or Typed Name

Safety, Health, & Environmental Manager

Title